

THE SOUTHERN HEMISPHERE'S LEADING STUD FARMS



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THE VIEW DOWNUNDER ~ HAROLD HOWE

NO GLOOM FOR Downunder Breeders

Unlike their North American counterparts, stud farms Downunder, which just concluded their breeding season, report that their numbers have not decreased and the more popular stallions are in fact oversubscribed.

If you talk with just about anyone involved with breeding horses in North America this winter most of what you hear is doom and gloom.

Farm managers are reporting that numbers are down and deep discounting on stud fees is taking place in every jurisdiction. Even some of the more popular horses are feeling the pinch.

Mating reports do not have to be filed until late this year so the final stats won't be known for quite some time but the picture does not look pretty. This all begs the question why is this happening?

To help crystallize the situation it is worthwhile to examine what has occurred in the just completed breeding season in the Southern Hemisphere. We contact-

ed several of the leading operations in Australia and New Zealand to obtain their analysis. Graeme Henley is the point man for Alabar Bloodstock, the biggest operator in the Southern Hemisphere with farms in both Australia and New Zealand. His personal base of operations is near Auckland, New Zealand.

"I have to say that the season went well in spite of the unknown that we were facing with the global financial crisis and the doom and gloom that we hear on the news every day. Alabar served about 2,500 mares in the two countries which is right around what we've been doing," he offered.

"But what is very apparent is that the top horses, those glamour horses if you will, are being oversubscribed. Art

Major served just over 300 mares and we were turning mares away. I believe other horses like Christian Cullen, Mach Three and Bettors Delight were in the same situation.

"But that was not the case for lesser horses like Sutter Hanover for example. We introduced him this season and he managed to eke out 100 mares but he would have been a much easier sell a few years ago. Things have changed."

Those sentiments were echoed by Peter O'Rourke of Nevele R Stud in Christchurch, New Zealand.

"The popular horses are still very popular. There was no resistance to high stud fees for the high profile horses. While North Americans would see our fees to be inexpensive, down here they

are not. Regardless, if a stallion is viewed to be commercial and by that I mean his yearlings are desired in the marketplace, then he will be highly sought after by breeders."

O'Rourke pointed to the decline in the demand for the farm's own Live Or Die as an example of the opposite being true.

"Live Or Die is a sire whose progeny have done very well over the years but his yearlings have not sold well. Therefore people will not spend the money on his stud fee. Also, it was generally recognized that Australians preferred proven horses while the Kiwi breeders liked the new faces. That has changed and the New Zealand breeders have really taken to the proven horses like Bettors Delight."

The big dog on the breeding scene in New Zealand remains Christian Cullen who commands a service fee of \$25,000 (NZ). Demand for his semen is as strong as ever.

"The global recession had no effect on his book. We served 200 mares in New Zealand and another 30 in Australia which is all we wanted and more," said Noel Kennard, spokesperson for owner Ian Dobson.

"I don't have access to the final numbers for the industry but I have the sense that there may be a small increase in the total number of mares served in New Zealand this past season. Having said that, there was some concern from the yearling sales results. While the middle was very solid the top end lost momentum and it's no secret a number of breeders who paid high stud fees lost money.

"We're quite aware that North American farms are under pressure to reduce service fees and consequently there is talk that it should happen here as well. That will not happen with Christian Cullen but there are some other horses that could go into the next season at lesser rates."

One of the ongoing success stories in the New Zealand breeding industry is Bettors Delight. The horse stands at Woodlands Stud near Auckland and once again bred just over 300 mares.

"We've seen no downturn in the industry here," noted farm manager Tina Tilden.

"At least the number of mares was



Photo by New Image Media



Two of the most popular stallions in the Southern Hemisphere this past breeding season were Bettors Delight (top) and Christian Cullen. The latter horse served 230 mares during the just concluded season downunder while Bettors Delight's book was just over 300.

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right there. Maybe there will be concern about collecting all the stud fees but right now we are very happy with the results. American Ideal has developed a loyal following and came in at 130 mares so we cannot complain. In fact, Bettors Delight's numbers were up from last year but as far as trying to look ahead to next year, it's anyone's guess."

Peter O'Rourke made an interesting observation as he looks ahead to next season.

"Traditionally, the economy of New Zealand and Australia runs about six months behind that of North America. That being the case we may find that the problems the North American industry is experiencing will surface here.

"What we really struggle to grasp is the strength of the American dollar despite their economy being in a shambles. It's just killing the New Zealand currency which now sits at 51 cents meaning that it's almost one for two and that will have a major effect on the prospects for any new horses coming to the southern hemisphere next season."

Graeme Henley echoes those sentiments.

"A number of the farms are relatively comfortable with the sires they have and aren't going to break the bank to get a new horse from the United States just for the sake of getting one. Now we have a situation where there is a very fine line between having a horse that is desirable and one that is not. New Zealand is crazy for Direct Scooter line horses because of Christian Cullen and Mach Three.

"It is becoming very difficult to promote a new horse. Now

we did 200 mares with Jeremes Jet, which we were happy with but he had a lot going for him. But there were a number of horses that missed out. All the farms will be quite careful in considering a new horse next season."

Two horses that are expected to shuttle at some juncture to Australia are Shadow Play and Major In Art.

The Stallion Station in Victoria has secured the Southern Hemisphere breeding rights for the latter who has just been moved into the stable of Noel Daley. The Art Major son had a terrific juvenile season but because of the timing likely won't make it to Australia until the 2010/2011 season.

Shadow Play is headed into his four-year-old campaign. He has plenty on his plate early so it is difficult to know if the connections will attempt to strike a deal to have him for the upcoming season or not. It would mean he would have to enter quarantine in August, which might compromise their racing plans.

Noel Kennard expresses great faith in the core of the Standardbred industry in New Zealand.

"It's no secret that the Thoroughbred industry has been hugely impacted by this recession but the harness racing game is much different. We do not have those high flyers who throw money around when things are good but disappear at the first sign of adversity. Our people are more solid and tend to be there through thick and thin. I believe that's why our yearling sales were quite acceptable."

On the matter of new horses Kennard agrees with his counterparts on the weak New Zealand dollar.

"I just cannot see any new North American horses coming in and there will be two new stallions for New Zealand that people here are already familiar with. Gotta Go Cullen will go to stud for us after this racing season ends and I expect Changeover, one of the better open class horses, will do the same. So there are two other options to an already crowded breeding scene in this country."

So what should North Americans take from this if anything?

For starters anyone who has aspirations of grabbing a chunk of the Southern Hemisphere market should rethink their strategy. The money is just not there for the taking. The market has become more selective and demanding.

The Kiwis and Aussies are not seeing it yet, but pressure on stud fees will continue. The squeeze is on and it is now a buyer's market. Value for the money will be the mantra of everyone breeding horses.

As Noel Kennard pointed out the Standardbred industry is not blessed with many high flyers these days. For the most part the people who are in the game are here to stay. They may not be flashy but they are reliable which is a blessing.

Obviously as the numbers of horses being bred declines, there should be concern. There will be a shortage, which is a whole other issue on its own. The breeding game is certainly changing around the world. 🐾

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